

1 March 1967

OGC REVIEW
COMPLETED

MEMORANDUM FOR: Director of Communications

SUBJECT: Conflict of Interest - [REDACTED]

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1. Mr. [REDACTED] of your office, outlined for me the circumstances under which he wishes to approach [REDACTED] of [REDACTED] to discuss an Agency program [REDACTED] [REDACTED] has raised a question of whether he would be involved in any conflict of interest. The pertinent section of the criminal code is as follows:

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§ 207(a) Whoever, having been an officer or employee of the executive branch of the United States Government, of any independent agency of the United States, or of the District of Columbia, including a special Government employee, after his employment has ceased, knowingly acts as agent or attorney for anyone other than the United States in connection with any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter involving a specific party or parties in which the United States is a party or has a direct and substantial interest and in which he participated personally and substantially as an officer or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, while so employed,

2. It is my understanding that [REDACTED] was personally and substantially a participant while an officer of the Government in the Agency's satellite communication interests, at least

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insofar as the rendering of advice or making of recommendations was concerned. Consequently, he is prohibited from acting as an agent or attorney for [] in connection with our discussions or possible negotiations with [] for work on the Agency program.

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3. As I understand it, the Department of Defense has, up to this point, been the action arm of the Government on communications satellites, and during the course of the summer of 1966 initiated competition among a number of companies by asking for proposals on the development and manufacture of communications satellites. Competition was narrowed, and in January 1967 the Department of Defense awarded a contract to []. The Agency did not actively participate in any way in these negotiations and was not in any way a party to the award, although it was an interested observer. Now that the award has been made, the Agency wants the company which has the award to make some special studies and tests on which the Agency will base a decision for its future participation in satellite communications.

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4. The sole purpose for approaching [] is to have him introduce our representatives appropriately to [] and to express to that company his past interest in the program. I am of the opinion that this does not constitute acting as an agent for the company, and for this limited purpose there is no conflict of interest in meeting with []. It seems clear, however, that he should not further participate in any negotiations with [], particularly in the submission of any proposals by [] unless a determination is made that his participation is essential. In that case there is a provision in the act whereby the head of an agency can make a certification in writing, published in the FEDERAL REGISTER, that the national interest would be served by the action of the former officer of the Agency.

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s/

LAWRENCE R. HOUSTON
General Counsel

cc: DDS&T
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